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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

MM Docket No. 92-51

ORIGINAL
FILE

In the matter of

Review of the Commission's
Regulations and Policies
Affecting Investment in the
Broadcast Industry

Reply Comments of
The Association of Independent Television Stations, Inc.

The Association of Independent Television Stations, Inc. ("INTV"), hereby submits its reply comments in the above-captioned proceeding.¹ Whereas INTV has taken no position on the merits of the proposals made by the Commission in its *Notice of Proposed Rule Making and Notice of Inquiry*, MM Docket No. 92-51, FCC 92-96 (released April 1, 1992), or by the various parties which have filed comments, INTV must urge the Commission not to lose sight of the forest when focusing on the trees.²

¹INTV is a non-profit incorporated association of independent television stations (i.e., broadcast television stations not affiliated with the ABC, CBS, or NBC television networks.)

²See, e.g., Comments of the Motion Picture Association of America (filed June 12, 1992) ("...[C]hange in the law on security interests in FCC broadcast licenses would drastically alter the landscape upon which the U.S. broadcast television industry has developed, to the detriment of the industry and

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The key element of any decision to invest in broadcast television invariably is the perceived ability to secure a satisfactory return on that investment. Until that threshold decision is made, concerns about the nature and scope of devices securing a lender's or investor's interest remain premature.

Ironically, at the same time the Commission is reviewing regulations and policies which affect modes of investment in broadcast television, its staff has released a report finding broadcast television to be in decline, and the Chairman has all but placed the dinosaur label on broadcasting.³ INTV respectfully suggests that such pronouncements from the Commission and its Chairman seem to clash headlong with the Commission's desire to facilitate and promote investment in broadcasting.

Furthermore, if Rome, indeed, is burning, why is the Commission content to fiddle with peripheral policies and rules? The Commission appears willing to deal with every regulation except but those which go to the core of the

the viewing public."); *but contrast*, Comments of the National Association of Investment Companies (filed June 16, 1992) ("The proposed changes...would make it easier for our members to increase their investments in this growing industry.")

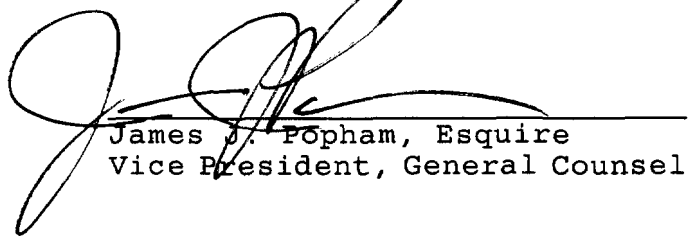
³Setzer, Florence, and Levy, Jonathan, *Broadcast Television in a Multichannel Marketplace*, FCC Office of Plans and Policy (June, 1991); "Sikes pelted for his view of TV future," *Electronic Media* (May 25, 1992) at 1.

problem faced by broadcast television licensees today. Broadcast licensees are still heavily regulated single-channel providers competing with a largely unregulated local monopoly/monopsony, vertically-integrated, compulsory license subsidized, multi-channel provider -- cable television. The Commission's *1990 Cable Report* and its recent staff report leave no doubt that the Commission is well aware that the broadcast-cable regulatory relationship is seriously out of kilter and should be righted.⁴

INTV submits that independent television has been and can remain a sound investment. Moreover, independent television can continue to provide enormous benefits to the public through enhanced program diversity and greater competition in the video marketplace. The Commission can do far more to maintain the economic integrity of independent television, however, by focusing its attention on the root of the underlying problem -- a long-term regulatory tilt in favor of cable television -- than on more marginal proposals like those before it in this proceeding.

⁴Setzer, *supra*; *1990 Cable Report*, 5 FCC Rcd 4962 (1990).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Popham', is written over a horizontal line. The signature is fluid and cursive.

James J. Popham, Esquire
Vice President, General Counsel

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